SHRI VIREN J. SHAH: 0.75 per cent in the case of wheat in Punjab. What is the percentage of ....

SHRI BUTA SINGH: If the hon. Member wants to have more specific information, I will pass it on.

MR. CHAIRMAN: The Minister says he does not have that information. He will pass it on to you.

SHRI VIREN J. SHAH: In the market, what is the percentage permitted? Why can't you answer? Mr. Civil Supplies Minister, the question is on Public Distribution System. What is the percentage of similar impurities in wheat permitted in Delhi?

SHRI BUTA SINGH: I have noted the contents of the supplementary, I will pass on the information to the hon. Member when I get it from the FCI.

SHRI S. JAIPAL REDDY: Sir, our hon. Minister has stated in all solemnity that political parties are making many promises in regard to subsidised food. Politicians and parties do respond to the felt urge and need of the people. The Congress (I) is also playing the same game. Therefore, it is not as though this is a game that a single party is playing. But I do not blame the political parties because political parties are to respond to the felt urge of the people. The felt urge of the people is, the foodgrains should be made available to them at available rates. So, will the Government of India reconsider the policy of providing more food subsidy both through PDS and to State Governments? If not, why?

SHRI BUTA SINGH: Sir, as the country is aware, the House is also aware of the information as a whole. We have Five Year Plans and whatever the welfare schemes or the poor people schemes are announced in the Five Year Plans, I can go on record that Congress (I) has never misused any of such schemes for election purposes. We stand committed to the aims and targets that are fixed in the Five Year Plans. Sir, there are 23 programmes which are part of the Five Year Plan. Therefore, it is wrong to say that the Congress (I) has been indulging in such practices. It has come to our notice that certain political parties have made it a point to pick up one or two popular things and include them in their election manifestos. We do not criticise them. We wish them well. But they should foot the Bill also. (*Interruptions*).

SHRI S. JAIPAL REDDY: Does it mean... (*Interruptions*).

MR. CHAIRMAN: Mr. Reddy, have anything to aks following from your first question? (*Interruptions*).

SHRI S. JAIPAL REDDY: From the tone and tenor of the reply given by the hon. Minister, it appears that the Government of India is adopting a negative attitude. (*Interruptions*) Is it proper for the Government of India to adopt a negative attitude? (*Interruptions*)

MR. CHAIRMAN: Question No. 463.

**Suoth Asian Preferential Trading Agreement**

*463. SHRI SURESH PACHOURI : Will the Minister of COMMERCE be pleased to state:

(a) whether it is a fact that Nepal has extended its unconditional support to South Asian Preferential Trading Agreement (SAPTA);

(b) which other SAARC cuntries have so far supported the SAPTA;

(c) the impediments, if any, in the implementation of SAPTA;

(d) whether Government have taken any steps for the removal of the impediments coming in the way of SAPTA with other SAARC countries; and

(e) if so, the details thereof? ...

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) to (e) A Statement is laid on the Table of the House.

**Statement**

Negotiations for exchange of trade concessions under SAARC Preferential Trading Arrangement (SAPTA) were concluded at the Sixth Meeting of the Inter-Governmental Group (IGG) on Trade Liberalisation held at Kathmandu on 20-21 April, 1995. The National Schedules of Concessions containing the lists of commodities for tariff reduction were adopted by consensus by delegations of all the seven SAARC Member States present at the meeting. The IGG unanimously expressed the view that the SAPTA Agreement be operationalised at the earliest, if possible, before the deadline of December-end 1995.

The SAPTA Agreement came up for consideration at the 15th session of the SAARC Council of Ministers held in New Delhi on 30 April—1 May 1995. While approving the Consolidated National Sechedules of Concessions, the Council urged the Member States to take all necessary steps to operationalise the Agreement early, preferebly by 8 Nevember 1995.

**श्री सुरेश पचौरी** : माननीय सभापति जी 20-21 अप्रैल, 1995 को काठमांडू में जो आई.डी.जी. इंटर-गवर्नमेंटल ग्रुप की जो बैठक आयोजित की गयी थी, उसके क्या मुद्दे थे और अभी हाल मे जो नयी दिल्ली में सार्क सम्मेलन आयोजित किया गया, उसमें "साप्ता" के संबंध में क्या मुद्दे थे ? यदि दोनों मुद्दों में कोई विभिन्नता रही तो किन-किन मुद्दों में विभिन्नता रही यह मैं जानना चाहता हूं ? साथ ही मैं आपके माध्यम से सरकार से यह जानना चाहता हूं कि "साप्ता" करार में पाकिस्तान का क्या रुख रहा ? यदि नकारात्मक रहा तो उसकी आपत्तियों को दृष्टिगत रखते हुए, सरकार इसे किस रूप में ले रही है ? साथ ही "साप्ता" करार लागू होने के बाद दक्षिण एशियाई देशों में मुक्त व्यापार प्रारम्भ हो जाएगा । यदि मुक्त व्यापार प्रारंभ हो जाएगा तो इससे निश्चित रूप से दक्षिण एशियाई देशों को लाभ मिलेगा । तो क्या इस सार्क सम्मेलन में जो हमारा पड़ौसी देश चीन है उसको सबद्ध करने के बारे में या उससे, किसी भी प्रकार प्रत्यक्ष या अप्रत्यक्ष सहयोग लेने के बारे में चर्चा हुई है ? यदि हुई है तो वह किन मुद्दों पर हुई है और सरकार की उस बारे में क्या प्रतिक्रिया है ?

SHRI P. CHIDAMBARAM: Sir, the last part of the question I will answer first. China is not a member of SAARC. There is no proposal to make China member of SAARC.

As far as the aims of SAPTA are concerned, they are: to promote and sustain mutual trade and economic co-operation among the member-countries and to exchange concessions in accordance with the SAPTA Agreement. After the Kathamandu meeting, where the National Schedules of Concessions were exchanged, it was placed before the Council of Ministers of SAARC at the recently-concluded Summit. The Council of Ministers approved the Schedules and promised that the member-States would take the necessary steps to ratify the Schedules and to operationalise SAPTA. The date has been fixed as the end of December, 1995. It is India's hope that all the member-countries would ratify the National Schedules of Concessions by November and SAPTA would be operationalised by the end of December.

**श्री सुरेश पचौरी** : माननीय सभापति जी 1991 से 2000 तक दक्षेस बाल दशक घोषित किया गया है । इस अवधि को ध्यान में रखते हुए लड़के और लड़कियों के बीच में भेदभाव कम हो इस दिशा में दक्षेस सम्मेलन में क्या कोई विचार किया गया ? यदि किया गया तो उसका ब्यौरा क्या है ? साथ ही साप्ता करार लागू होने से हमारे देश के बिहार और उत्तर प्रदेश से नेपाल को, और पंजाब से पाकिस्तान

को क्या किसी भी प्रकार की तस्करी होने की आशंका है ? यदि आशंका है तो उसको दृष्टिगत रखते हुए सरकार क्या कदम उठाने जा रही है ? मान्यवर मैंने अपने पहले पूरक प्रश्न में यह कहा था यह जानते हुए कि सार्क सम्मेलन का सदस्य देश चाइना नहीं है, यह मैं भली भांती जानता हूं । लेकिन मैं आपके माध्यम से सरकार से यह जानना चाहता था कि साप्ता करार प्रारंभ होने से दक्षिणी एशियाई देशों का मुक्त व्यापार प्रारंभ हो जाएगा तो क्या पड़ोसी देशों से हम सहयोग लेने पर विचार कर सकते हैं. इतना मैं जानना चाहता हूं ? इस पर सरकार की क्या प्रतिक्रिया है यह मैं जानना चाहता हूं ।

SHRI P. CHIDAMBARAM: Sir, the SAPTA is not a free trade arrangement. The SAPTA is a preferential trade arrangement. The Council of Ministers and the Heads of State and Government have, in the renectly concluded summit, expressed their desire to move towards a free trade arrangement, but that will have to a wait, SAPTA being operationalised, the SAPTA being worked. As we expand the national schedules of concessions, it is our hope that the ountries of the SAARC will move towards a free trade arrangement.

Sir, it is not in our contemplation at present to bring China into the SAARC. That would have to be negotiated separately with China. I do not see any scope for China to play a role in the South-Asian preferential trade or free trade arrangements.

As far as smuggling is concerned, there is smuggling on the borders. There is smuggling outward, and there is smuggling inward. It is Government's firm belief that with liberalisation of trade-exchange of schedules operationalisation of the SAPTA and movement towards a free trade arrangement, smuggling will come down.

SHRI G. G. SWELL: Sir, we have seen that the SAARC Summit has decided to put the SAPTA into operation by the end of the year. I wish it was not another pious wish and that it was not a non-starter.

I want to know from the Minister whether Sri Lanka, one of the important members of the SAARC, in its present position where 20,000 of its men have been bogged down in Jaffna and it is desperately asking the world to go to its assistance, is in a position to operationalise the SAPTA.

May I ask whether the President of Sri Lanka, during her recent meeting with our Prime Minister, had specifically asked for army assistance?

MR. CHAIRMAN: That does not follow from this.

SHRI G. G. SWELL: But, can it operationalise the SAPTA?

MR. CHAIRMAN: Mr. Minister, please answer the first part.

SHRI P. CHIDAMBARAM: With great despect to the hon. Member, would not be in a position to answer the second part of the question. In fact, I ough not to answer the second part of the question. That is a separate questior which ought to be put to the Minister of External Affairs.

About the first part of the question, we think that Sri Lanka is in a position to honour its commitments. We will have to await its ratification by Sri Lanka. If Sri Lanka ratifies it, I assume that it will honour its ratification. I am confident that Sri Lanka will find a way to honour its schedule of commitments.

SHRI INDER KUMAR GUJRAL: While I wish to express my satisfaction with the progress that the SAARC has made and, in this context, I want to compliment the Government of India for its leadership, may I ask of the Minister whether the consolidated statement of concessions that has been worked out gets affected positively or it gets affected negatively because I notice that there is a discreprecency in the commodity lists submitted by various nations? How is this operation being pursued?

SHRI P. CHIDAMBARAM: Sir, I thank the Member for the support he has given to the Government for the efforts that were taken to operationalise

the SAPTA. I know the hon. Member has himself played a very important role in previous years and he has, in other fora also, extended his support to the Government.

Sir, the total number of tariff lines on which concessions have been exchanged, works out to 484. Some countries have offered commodities or goods under broad descriptions. When we break them into tariff lines, they amount to 484. Countrywise, India has offered 106 tariff lines, and that is based on the six degit, harmonised classification. Pakistan has offered 64. Shri Lanka 56, Bangladesh 13, Bhutan 88, Nepal 92 and Maldives 65. Sir, the number for Bhutan, Nepal and Maldives may appear large, but that is because, for example, when some one offers concessions on dry fruits that is one commodity in trade terms, but if you break it down in to tariff lines, it works out to a larger number of tariff lines. This is the break-up of 484 tariff lines. If the hon. Member wants to know further details, I can share it with him, but at the moment, I think, we should await ratification by the respective States, before we make it public.

SYED SIBTEY RAZI: Sir, I welcome that at least certain activities towards the achievements of SAPTA have started. Till new it was not floated due to certain difficulties by some countries. My only point is that there are certain disturbances in countries like Sri Lanka, and as the Minister has said that there is a deadline that by December, 1995, all the related legislations will be passed in the Assemblies. My only apprehension is that due to that unusual and extraordinary situation in a neighbouring country, will we be able to achieve that deadlines? Will not there be a further delay on this account? My point is that if one country does not pass the necessary laws, will the other three or four countries who are Members and who pass the law, start working through it?

SHRI P. CHIDAMBARAM: Sir, our understanding is that this does not require a legislation. We understand that the ratification of the national schedule of concessions can be done by an executive not. In fact, in India we do not require to pass a legislation for it. We can rectify the SAPTA arrangement under an excutive decision.

President Chandrika Kumaratunge of Sri Lanka visited India twice recently—once on a bilateral visit and once for the Summit. On both the occasions the Sri Lankan delegation played a very positive role. The have promised us quick ratification. I am confident that they will ratify it soon and will be able to keep their obligations as well as the deadline.

SHRI K. R. MALKANI: It is a matter of satisfaction that the SAARC countries are working on preferential trading arrangement laid on the Table of the House it is said that the Inter-Governmental Group (IGG) expressed the view that the SAPTA should be operationalised at the xearliest. "Expression of views" is a very vague term. My question is, will the list of commodities to be covered under SAPTA be palced on the Table of the House and what is going to be the reduction in the tariff rates? Here is only an expression of views. We all know and and this is public knowledge that Pakistan is less than, enthusiastic about SAPTA. What happens if one country like that does not go along? Will the Government consider going ahead with SAPTA, allowing Pakistan or another country to take its own time?

SHRI P. CHIDAMBARAM: The phrase, 'expression of views' is a polite way of describing the resolution of the Council of Ministers. Eventually, when the Heads of State and Government met, the summit declaration did fix December 1995 as the date by which SAPTA will be operationalised. The Council of Ministers makes a recommendation to the Heads of State and Government. I think the deadline is clear. All the Heads of State and Government have promised to adhere to this deadline and I am confident that this deadline will be kept.

As far as the question of tariff reduction is concerned, again, Sir, if the hon. Members will grant me the indulgence of

not requiring me to disclose each item and each tariff line, I can give a broad break-up. For example, India has offered tariff preferences ranging from 50 per cent to 100 per cent in the case of the least developed countries and from 10 per cent to 90 per cent in the case of non-least-developed countries. Similarly, Pakistan has offered 15 per cent to the least developed countries and 10 per cent to non-least developed countries. We have a range. India's concessions, India's offer, of course, are more generous than the offers of the other countries. That is because we are the bigger trading partner in this region. Therefore, we play a more dominant role in this region in terms of trade. Therefore, it is but proper that we offer larger concessions to the small trading partners. Sir, the hon. Member had mentioned the name of a country and asked if that country did not ratify SAPTA what would happen. Sir, I would not like to anticipate that contingency now. It would not be fair to dose, close on the heels of the summit declaration, I think we should proceed on the basis that all countries will ratify SAPTA. If one country does not ratify SAPTA, we will have to assess the situation at that time.

SHRI K. R. MALKANI: I would like to know whether the lists of commodities are confidential. If the rate of reduction of tariff is also confidential, it is okay. If it is not confidential, will the hon. Minister place the list on the Table of the House?

SHRI P. CHIDAMBARAM: When Mr. Gujral had put this question, I told him that it is only proper that we await ratification by our own Government as well as by the member States. Once it is ratified, it will be placed on the Table of the House.

**श्रीमती सरला माहेश्वरी** : माननीय सभापति जी, मैं आपके माध्यम से माननीय मंत्री महोदय से जानना चाहती हूं कि "सार्क" के सदस्य देशों का जो आपसी व्यापार है और जिसका विश्व वाणिज्य में 3–4 प्रतिशत हिस्सा है, इसे बढ़ाने के लिए आप क्या करने जा रहे हैं । इसके साथ ही मैं यह भी जानना चाहती हूं कि क्या यह सच है कि अभी हाल ही में जो इसकी मीटिंग हुई, उस में इन "सार्क" देशों का ई.ई.सी. या "आशियान" की तरह एक "सिंगल ट्रेड ब्लाक" की स्थापना के विषय में कोई बातचीत हुई ? साथ ही मैं यह भी जानना चाहूंगी कि क्या यह भी सच है कि जो देश हैं, इन देशों की कोई "सेंट्रलाइज्ड कॉडिनेटिंग पॉलिसी" तैयार करने के संबंध में भी कोई बातचीत हुई ताकि जो अंतर्राष्ट्रीय निविदाएं है, उन अंतर्राष्ट्रीय निविदाओं के संबंध में कोई ज्वांइट बिडिंग की जा सके ?

SHRI P. CHIDAMBARAM: Mr. Chairman, Sir, the total global trade of SAARC countries is estimated to be a little over $80 billion. However, intra-SAARC trade among the SAARC countries is only about $ 3 billion. There is obviously ample scope for intra-SAARC trade to expand. The expectation is that as we reduce tariffs mutually, intra-SAARC trade will grow. Initially, it might not grow very fast but as concessions are expanded and as the schedules are expanded, I expect the intra-SAARC trade to grow at a very rapid rate.

SHRIMATI SARALA MAHESHWARI: Have you fixed any traget?

SHRI P. CHIDAMBARAM: We have not fixed any target because trade is in private hands. But our experience the world over is that as tariffs come down, trade will go up. The sharper the tariff reduction and the larger the concessions the greater will be the growth of trade. I don't see any reason why the laws of economics should not work in the South-Asian Region. I believe it will work. "Is there a central monitoring group?" Yes, the IGG is the central monitoring group, if you want to call it that. The IGG meets quite often. The summit declaration also concluded—the Prime Minister announced in his remarks —that the Commerce Ministers of the SAARC countries will meet within two or three months to take all the follow up steps for operationalisation of SAPTA by December, 1995.